

## **FISCAL NOTE**

### **SB 1194 - HB 1580**

March 30, 2001

#### **SUMMARY OF BILL:**

1. Provides a mechanism for a constitutional convention to consider altering, reforming, or abolishing the following sections of the Tennessee Constitution:
  - Article II, Sections 28 and 29, relative to taxation
  - Article II, Section 31, relative to state investments;
  - Article VI, Section 14, relative to fines;
  - Article VII, Section 1, relative to county officers and county government;
  - Article X, Sections 4 and 5, relative to consolidation of counties and creation of new counties;
  - Article XI, Section 5, relative to the prohibition of lotteries and the sale of lottery tickets;
  - Article XI, Section 9, relative to consolidation of municipal and county functions; and
  - Article XI, Section 12, relative to education.
2. Requires to be submitted to the voters at the November 2002 election the question of calling a constitutional convention, electing delegates to the convention and holding an election on whether to ratify any proposed amendments passed by the convention.
3. Requires the Secretary of State to publish notice of such an election in a newspaper of general circulation to each county.

#### **ESTIMATED FISCAL IMPACT:**

##### **Increase State Expenditures - \$20,000 One-Time**

Assumes:

- A cost of \$20,000 to publish notices in the newspaper in each county.
- Election expenses will be minimal, since the question of calling a convention will be placed on the regular November election ballot.

For information purposes, the following should be noted:

- The estimated cost of holding a constitutional convention with 33 delegates to consider the issues contained in the bill is as follows: 15 days \$108,000; 20 days \$140,000; 30 days \$205,000.

- Estimated cost to hold a statewide referendum that is not conducted in conjunction with a statewide election is approximately \$4,000,000.
- A one percent tax on income is estimated to generate net state revenues in excess of \$650,000,000. Any amounts generated would be dependent on exemption levels and deductions established.
- The amount of state revenues that would be realized by a lottery is estimated to exceed \$200,000,000.
- The amount of savings relative to consolidation of counties, creation of new counties, and consolidation of municipal and county functions is estimated to be significant.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with a long horizontal stroke at the end.

James A. Davenport, Executive Director